

What's at Stake for South Dakota?

South Dakota is an important producer of agricultural products and a major exporter. In 1997, South Dakota ranked 17th among all 50 states in the value of its agricultural exports. The state's exports reached an estimated \$1.2 billion, up from \$660 million in 1991. These exports help boost farm prices and income, while supporting about 15,000 jobs both on the farm and off the farm in food processing, transportation and manufacturing. Exports are increasingly important to South Dakota's agricultural and state-wide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports rose from 21% to 27% since 1991.

The top five agricultural exports in 1997 were:

- # soybeans and products -- \$353 million
- # feed grains and products -- \$337 million
- # wheat and products -- \$175 million
- # live animals and red meats -- \$113 million
- # sunflower seed and oil -- \$78 million

World demand for these products is increasing, but so is competition among suppliers. If South Dakota's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

South Dakota Producers Benefit from Trade Agreements

South Dakota is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of new market opportunities for South Dakota include:

- # South Dakota, a large feed corn producer, continues to benefit under the Uruguay Round as Japan increases its 3.75-million-ton zero duty quota for feed corn by 450,000 tons by 2000. South Korea is lowering its in-quota tariff on feed corn and popcorn from 3% to 1.8% from 1995 to 2005. Korea will also reduce tariffs on mixed animal feeds.
- # A large wheat producer, South Dakota benefits under the Uruguay Round from a 33% reduction in the quantity of EU wheat receiving export subsidies by 2000. Japan is expanding its 5,530,000 ton tariff-rate quota by 35,000 tons annually from 1995 to 2000.
- # A large producer of finished cattle, South Dakota benefits under NAFTA as Mexico eliminated its 15% tariff on live slaughter animals, its 20% tariff on U.S. chilled beef, and its 25% tariff on frozen product. Its 20% tariff on beef offal will be eliminated by 2004. Due to the U.S.-Canada Free Trade Agreement, U.S. beef is now exempt from Canadian duties and volume restrictions.

